

recently filed proposals that would allow market professionals to participate in the Program.⁴

ICC has functioned effectively as a registered clearing agency for the past 18 months. Indeed, the Commission believes that ICC continues to satisfy the requirements necessary to function as a registered clearing agency as enumerated in section 17A(b)(3) of the Act. Accordingly, in light of the past performance of ICC, as well as the need for ICC to provide continuity of service to its members, the Commission believes "good cause" exists, pursuant to section 19, for extending ICC's registration as a clearing agency for an additional 18 months without separately soliciting comments on such extension.⁵

You are invited to submit written data, views, and arguments concerning the foregoing application within 30 days of the date of publication of this notice in the *Federal Register*. Such written data, views, and arguments will be considered by the Commission in granting registration or instituting proceedings to determine whether registration should be denied in accordance with section 19(a)(1) of the Act. Persons desiring to make written submissions should file six copies thereof with the Secretary of the Commission, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549. Reference should be made to File Number 600-21. Copies of the application and all written comments will be available for inspection at the Securities and Exchange Commission's Public Reference Room, 450 Fifth Street NW., Washington, DC 20549.

It is therefore ordered, that ICC's registration as a clearing agency be, and hereby is, extended until October 3, 1991.

By the Commission.

Jonathan G. Katz,

Secretary.

[FR Doc. 90-3247 Filed 4-9-90; 8:45 am]

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[Release No. 34-27874; File No. SR-NASD-90-17]

Self-Regulatory Organizations; Filing and Immediate Effectiveness of Proposed Rule Change by National Association of Securities Dealers, Inc. Relating to NASD Assessments and Fees

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"), 15 U.S.C. 78s(b)(1), notice is hereby given that on March 29, 1990 the National Association of Securities Dealers, Inc. ("NASD") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the NASD. The NASD has designated this proposal as one establishing or changing a fee under section 19(b)(3)(A)(ii) of the Act, which renders the fee effective upon the Commission's receipt of this filing. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change to section 2(c) of Schedule A of the NASD's By-Laws¹ increases the General Securities Registered Representative examination fee from \$60.00 to \$110.00 pursuant to converting the examination format from written to computer-based.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the NASD included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The NASD has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

The proposed rule change to section 2(c) of Schedule A raises the General Securities Registered Representative examination fee from \$60.00 to \$110.00 pursuant to converting the examination

format from written to computer-based. This change reflects the impact of general cost increases, the cost of improved service quality, and the continued shift of the NASD to computer-based examinations. In setting the assessment and fee rates for 1990, the NASD has attempted to align revenues with related costs where appropriate. The Board of Governors has determined that the fee increase described above will yield revenue sufficient to cover the costs of advancing technology within the industry as necessary to administer the General Securities Registered Representative examinations.

The NASD believes the proposed rule change is consistent with section 15A(b)(5) of the Act, which requires that the rules of the Association provide for the equitable allocation of reasonable fees and other charges among members and other persons using any facility or system which the Association operates or controls.

B. Self-Regulatory Organization's Statement on Burden on Competition

The NASD does not believe that the proposed rule change imposes any burden on competition not necessary or appropriate in furtherance of the purposes of the Act, as amended.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Comments were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to section 19(b)(3)(A)(ii) of the Act and subparagraph (e) of Rule 19b-4 thereunder in that it affects assessments and fees imposed by the Association exclusively upon its members. Imposition of the fee will, however, be delayed until May 1, 1990.

At any time within 60 days of the filing of a rule change pursuant to section 19(b)(3)(A) of the Act, the Commission may summarily abrogate the rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and

⁴ See File Nos. SR-ICC-90-3 and SR-OCC-90-04.

⁵ On or before the end of the 18 months, the Commission expects to consider whether to grant ICC permanent registration as a clearing agency. In advance of such time, the Commission expects ICC to file an appropriate request for permanent registration. The Commission will solicit comment at that time and consider any comments it may receive from interested persons.

¹ NASD Manual, paragraph 1753.

arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of the filing will also be available for inspection and copying at the principal office of the NASD.

All submissions should refer to the file number in the caption above and should be submitted by May 1, 1990.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority, 17 CFR 200.30-3(a)(12).

Dated: April 4, 1990.

Jonathan G. Katz,
Secretary.

[FR Doc. 90-8248 Filed 4-5-90; 8:45 am]

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[Release No. 34-27877; File No. SR-NYSE-90-14]

Self-Regulatory Organizations; New York Stock Exchange, Inc.; Notice of Filing and Order Granting Accelerated Approval to Proposed Rule Change Regarding Cooperative Agreements With Domestic and Foreign Self-Regulatory Organizations

Pursuant to section 19(b) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on March 23, 1990, the New York Stock Exchange, Inc. ("NYSE" or "Exchange") filed with the Securities and Exchange Commission ("Commission" or "SEC") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. The proposal adopted new Rule 27 ("Regulatory Cooperation"), which would codify general language authorizing the Exchange to enter into bilateral information-sharing agreements for regulatory purposes with domestic and foreign exchanges and associations. The Exchange has requested accelerated approval of the proposed rule change pursuant to

section 19(b)(2) of the Act³ because it is preparing to exercise this authority in the near future with certain foreign self-regulatory organizations ("SROs").

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The NYSE proposes to adopt a new rule that sets forth the Exchange's policy with respect to cooperation with domestic and foreign SROs and associations. The text of the proposed rule is available at the NYSE's Office of the Secretary and in the Commission's Public Reference Section.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of and basis for the proposed rule change. The text of these statements may be examined at the places specified in Item III below. The self-regulatory organization has prepared summaries, set forth in Sections (A), (B), and (C) below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

Proposed Rule 27 sets forth the Exchange's Policy of cooperation with domestic and foreign SROs. The ongoing development of a surveillance system that is appropriate for today's international and domestic securities markets requires close cooperation between the Exchange and other domestic and foreign SROs. The Exchange routinely shares surveillance and investigative information with domestic SROs pursuant to cooperative regulatory agreements e.g., agreements pursuant to Rule 17d-2 under the Act,⁴ and those in connection with the Intermarket Surveillance Group and the Intermarket Financial Surveillance Group. In addition, the Exchange is preparing to enter into bilateral information-sharing agreements with foreign exchanges and associations. Adoption of the rule will codify the Exchange's authority to enter into information-sharing agreements for regulatory purposes with domestic and foreign SROs.

2. Statutory Basis

The proposed rule change is consistent with section 6(b) of the Act⁵ in general and furthers the objectives of section 6(b)(5) of the Act⁶ in particular in that it is designed to prevent fraudulent and manipulative acts and practices, promote just and equitable principles of trade and foster cooperation and coordination with persons engaged in regulating transactions in securities.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange believes that this proposed rule change does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

The Exchange did not solicit or receive written comments on the proposed rule change from members, participants or others.

III. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference section, 450 Fifth Street, NW., Washington, DC 20549. Copies of such filings will also be available for inspection and copying at the principal office of the above-mentioned self-regulatory organization. All submissions should refer to the file number in the caption above and should be submitted by May 1, 1990.

IV. Conclusion

The Commission finds that the Exchange's proposal to adopt new Rule 27 is consistent with the requirements of the Act and the rules and regulations

¹ 15 U.S.C. 78s(b)(1) (1982).

² 17 CFR 240.19b-4 (1989).

³ 15 U.S.C. 78s(b)(2) (1982).

⁴ 17 CFR 240.17d-2 (1989).

⁵ 15 U.S.C. 78f(b) (1982).

⁶ 15 U.S.C. 78f(b)(5) (1982).

thereunder applicable to a national securities exchange, and, in particular, the requirements of section 6 of the Act⁷ and the rules and regulations thereunder. The Commission has stated before that it believes that U.S. national securities exchanges have the authority to enter into surveillance-sharing agreements with foreign SROs, and the Commission encourages the development of such agreements.⁸ Thus, while the Commission believes the NYSE already has the authority to enter into such agreements, the proposed rule change will clarify the Exchange's authority to coordinate with domestic and foreign SROs in developing a surveillance system appropriate to today's increasingly linked markets. In this regard, the Commission notes that codification of the Exchange's authority to enter into bilateral surveillance agreements furthers the protection of investors and the public interest because it will enable the Exchange to conduct prompt investigations into possible trading violations and other regulatory improprieties. The Commission believes that exercise of this authority will enhance the NYSE's surveillance program and help to provide the Exchange with sufficient information for it to carry out its oversight responsibilities with respect to enforcement-related matters in an efficient and expeditious manner.

The Commission finds good cause for approving the proposed rule change prior to the thirtieth day after the date of publication of notices thereof in the *Federal Register*. The Commission believes it is appropriate to approve the proposed rule change on an accelerated basis so that the Exchange can enter into bilateral information-sharing agreements with foreign SROs without delay. In addition, the NYSE's proposed rule change is virtually identical to a proposal by the American Stock Exchange that was approved by the Commission on January 10, 1989.⁹ The Commission believes, therefore, that granting accelerated approval of the proposed rule change is appropriate and consistent with section 6 of the Act.¹⁰

It is therefore ordered, pursuant to section 19(b)(2) of the Act¹¹ that the proposed rule change (SR-NYSE-90-14) be, and hereby is, approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹²

Dated: April 4, 1990.

Jonathan G. Katz,
Secretary.

[FR Doc. 90-8249 Filed 4-9-90; 8:45 am]

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[Release No. 34-27878; File No. SR-NYSE-89-44]

Self-Regulatory Organizations; New York Stock Exchange, Inc.; Order Approving Proposed Rule Change Relating to Amendments to NYSE Rule 476A

I. Introduction

On December 28, 1989, the New York Stock Exchange, Inc. ("NYSE" or "Exchange") submitted to the Securities and Exchange Commission ("Commission" or "SEC"), pursuant to sections 19(b)(1) and (d)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rules 19b-4 and 19d-1(c)(2) thereunder,² a proposed rule change to revise the list of Exchange rule violations and fines applicable thereto that are subject to NYSE Rule 476A³ and amend the Exchange's Rule 476A minor rule violation enforcement and reporting plan ("Plan").⁴ On January 19, 1990 the Exchange filed Amendment No. 1 to the proposed rule change with the Commission.⁵ Notice of the proposed rule change was provided by the issuance of a Commission release (Securities Exchange Act Release No. 27710, February 14, 1990), and by publication in the *Federal Register* (55 FR 6140, February 21, 1990). The Commission received no comments on the proposed rule change. This order approves the proposed rule change.

II. Description of the Proposal

Rule 19d-1(c)(2) under the Act authorizes national securities exchanges to adopt minor rule violation plans for the summary discipline and abbreviated reporting of minor rule violations by

exchange members and member organizations.⁶ In 1985, the Commission approved NYSE Rule 476A,⁷ which authorizes the Exchange, in lieu of commencing a disciplinary proceeding before a hearing panel, to impose a fine not to exceed \$5,000,⁸ on any member, member organization, allied member, approved person, or registered or non-registered employee of a member organization for any violation of a specified Exchange rule which the NYSE determines to be minor in nature.⁹ NYSE Rule 476A permits any person to contest the Exchange's imposition of the fine through the submission of a written Answer, at which time the matter will become a "disciplinary proceeding" subject to NYSE Rule 476, and, where applicable, the reporting provisions of paragraph (c)(1) of Rule 19d-1 under the Act.

Also in 1985, the Commission approved the Exchange's Rule 476A minor rule violation reporting Plan,¹⁰ which provides for quarterly reporting to the Commission of covered rule violations with sanctions not exceeding \$2,500. For covered minor disciplinary rule violations, the Plan relieves the Exchange from the current reporting requirement otherwise imposed by section 19(d)(1) of the Act for "final" disciplinary actions. In accordance with paragraph (c)(2) of Rule 19d-1, the NYSE's Rule 476A Plan specifies those

⁶ See Securities Exchange Act Release No. 21013 (June 1, 1984), 49 FR 23828 (June 8, 1984) (order approving amendments to paragraph (c)(2) of Rule 19d-1 under the Act). Pursuant to paragraph (c)(1) of Rule 19d-1, a self-regulatory organization ("SRO") is required to file promptly with the Commission notice of any "final" disciplinary action taken by the SRO. Pursuant to paragraph (c)(2) of Rule 19d-1, any disciplinary action taken by the SRO for violation of an SRO rule that has been designated a minor rule violation pursuant to the plan shall not be considered "final" for purposes of section 19(d)(1) of the Act if the sanction imposed consists of a fine not exceeding \$2,500 and the sanctioned person has not sought an adjudication, including a hearing, or otherwise exhausted his or her administrative remedies. By deeming unadjudicated, minor violations as not final, the Commission permits the SRO to report violations on a periodic, as opposed to an immediate, basis.

⁷ See Securities Exchange Act Release No. 21088 (January 25, 1985), 50 FR 5025 (order approving File No. SR-NYSE-84-27).

⁸ Any fine imposed in excess of \$2,500 will be subject to current, rather than quarterly, reporting to the SEC, in accordance with Rule 19d-1 under the Act. See *supra*, note 5.

⁹ Although the NYSE's Board of Governors makes the initial determination of whether an Exchange rule violation is "minor" for purposes of inclusion in Rule 476A, this determination is subject to Commission review pursuant to sections 19(b)(1) and (d)(1) of the Act and Rules 19b-4 and 19d-1(c)(2) thereunder.

¹⁰ See Securities Exchange Act Release No. 22415 (September 17, 1985), 50 FR 38600 (September 23, 1985) (order approving File No. 4-284).

⁷ 15 U.S.C. 78s (1982).

⁸ See Securities Exchange Act Release No. 28436 (January 10, 1989), 54 FR 1829 (order approving File No. SR-AMEX-88-27).

⁹ *Id.*

¹⁰ 15 U.S.C. 78f (1982).

¹¹ 15 U.S.C. 78s(b)(2) (1982).

¹² See 12 CFR 200.30-3 (1989).

¹ 15 U.S.C. 78s(b)(1) and (d)(1) (1982).

² 17 CFR 240.19b-4 and 240.19d-1(c)(2) (1989).

³ NYSE Rule 476A ("Imposition of Fines for Minor Violations of Rules") includes a list of Exchange rules whose violations may be reported pursuant to the NYSE's minor rule violation plan.

⁴ See also, letter from James E. Buck, Senior Vice President and Secretary, NYSE, to Howard Kramer, Assistant Director, SEC, Division of Market Regulation, dated January 5, 1990 (proposal to amend Plan).

⁵ See also, letter from James E. Buck, Senior Vice President and Secretary, NYSE, to Howard Kramer, Assistant Director, SEC, Division of Market Regulation, dated January 18, 1990 (proposal to amend Plan).